

Friday's Settlement Prices for Selected Commodities in US or Can. \$ / tonne, etc:

Settlement Prices for Selected Commodities in US or Can.\$ / tonne for week ending Friday:					12-Aug-11				
Grains & Related					Oilseeds, Related & Others				
Commodity	Month	This week	Last week	Year ago	Commodity	Month	This week	Last week	Year ago
SRW Wheat	Sep	258.12	249.12	258.12	Soya Beans	Sep	487.86	489.42	383.41
HRW Wheat	Sep	292.66	286.69	265.84	Soya Meal	Sep	382.63	382.41	333.68
HRS Wheat	Sep	316.45	304.05	262.62	Soya Oil	Sep	1,194.07	1,212.59	937.44
Corn	Sep	276.07	272.82	161.41	Canola	Nov	550.20	555.50	462.40
Oats	Sep	223.70	214.95	177.34	Crude Oil	Sep	85.38	86.88	75.58
W. Barley	Oct N	205.00	205.00	168.00	Dollar Index	Sep	74.70	74.68	83.04
Ethanol	Sep	73.57	72.25	46.71	DJIA	Sep	11,247	11,440	10,266

Data points in red are new previous 12-month highs, in blue are new previous 12-month lows

COMMENT: With another week of turmoil in financial markets, grain and oilseed prices might have been expected to follow a downhill trail. But as the USDA's crop estimate for corn was much below most expectations, crop commodity markets took their direction from tightening feed grain fundamentals. Most grain prices were, in fact, higher over the week, although major components of the oilseed market slipped. And at the end of the week losses in financial markets were limited to part of their gains over the last 12 months.

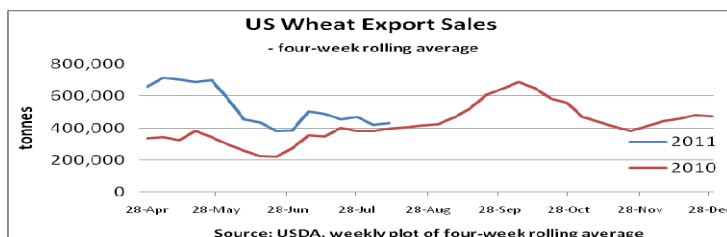
NEWS: The Canadian Grain Commission reported cumulative 52week, to July 31, crop year bulk exports (not including container and direct truck shipments) of 29.0M tonnes down 1 percent from last year. Oats, peas and corn exports of 0.99M, 2.46 and 1.24M, were respectively, up 10, 48 and 4,523 (yes, 45 times) percent. Other wheat, durum, barley, flax and canola exports were 12.38M, 3.23M, 1.26M, 0.33M and 6.97M, down 13, 6, 1 and 48 percent.

The August USDA's production estimates cut yield estimates for corn, soybeans and other spring wheat from the July trend based yields by 4, 5, and 7 percent. Durum yields were placed 10 percent above the July estimate. All estimates were below average trade expectations. With a larger area corn production was estimated up 4 percent, but soya beans, durum and other spring wheat output was estimated down 8, 47 and 15 percent.

August revisions to the USDA's US corn S&D's included cuts to exports and ending stocks which at 18M tonnes is the lowest level since 1996. The main feature of global coarse grain S&D's was the cut in US output, which was a long way from being offset

by increases offshore, and trade. Canada is seen by the USDA as offsetting some of the cut in US exports, to the tune 0.5M tonnes with the expectation that wheat will be fed as a substitute. That one will probably need revising next month.

For US wheat, S&D's cuts in output have been matched by lower export forecasts as a result of increased competition from Black Sea port sources leaving ending stock forecasts about unchanged. Globally upward revision in output is expected to result in higher ending stocks in the FSU and India.



Opinion: The salient revision to the USDA's world wheat S&D's this week was the impact of improved crop prospects in the FSU - 7M tonnes, and the resulting increased competition cutting US exports by 1.4M tonnes. With Russia exiting the world wheat market with an export embargo on August 15 last year and return this July 1, the US certainly appears to have benefitted. But other things being equal with a return to things as they were prior to last summer, the loss of US export potential may be several times what is currently anticipated.

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